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A theoretical perspective on the difference between leadership and management.

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Abstract

Purpose: There are numerous overlaps in terms of relating the differences between leadership and management. Jarad (2012) viewed leadership as a subset of management and that both are important to facilitate organizational performance. However, the construction industry is well defined with the inclusion of both these roles. It is to this end that the study presents a theoretical framework relating to the difference between leadership and management.

Design/methodology/approach: The study is conducted with reference to existing theoretical literature on leadership requirements for the construction industry.

Findings: Literature findings revealed that, leadership includes social influence and the leader's role in setting a purpose or vision of change, whereas management associates with fulfilling organizational goals and processes.

Originality/value: The study explores the difference leadership and management. The study further gives findings relating to management and leadership, thus adding value to the body of leadership and management knowledge.

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Keywords: Leadership; Management; Organization

1. Introduction

There are numerous connections in terms of relating the differences between leadership and management. According to Bennis and Nanus [2007], leadership definitions include social influence and the leader's role is setting a purpose or vision of change, whereas management associates with fulfilling organizational goals and processes. In more recent times, leadership has continued to be a topic of interest, as well as a subject of contention among many leadership theorists. Several different schools of thought regarding leadership have prevailed simultaneously since early observations in this area of interest began [Stogdill, 1974]. Most early theorists presented their findings based on information gained through empirical observation as opposed to statistical research. The paper focuses on leadership and management followed by the presentation of the methodology and the findings from literature before conclusion and recommendations are drawn.

2. Leadership

Leadership is an essential driving force to achieving the vision and mission of any organisation. Northhouse [1997] defines leadership as a process whereby individuals are able to influence other individuals to achieve or reach commonly desired outcomes. Lynham and Thomas [2006] expand this definition to an interactive, interdependent and focused performance system, wherein continuous interaction; influence; dialogue and discussions regarding organisational procedures, performance outcomes, inputs, processes, outputs and feedback takes place within a learning environment. Leaders set a direction for the rest of us; they help us see what lies ahead; they help us visualize what we might achieve; they encourage us and inspire us. Without leadership a group of human beings quickly degenerates into argument and conflict because we see things in different ways and lean toward different solutions. Leadership helps to point us in the same direction and harness our efforts jointly [Liphadzi, 2015].

3. Management.

Management has to do with leading a project from its inception to execution. This includes planning, execution and managing the people, resources and scope of the project. Management within an organisation should have the discipline to create clear and attainable objectives; moreover, leadership skills of project managers affect project performance [Emad, 2014:118]. Management is often included as a factor of production, along with machines, materials, and money. According to the management guru Peter Drucker [1909-2005], the basic task of management includes both marketing and innovation.

4. Relating management and leadership.

Jarad [2012] viewed leadership as a subset of management and that both are important to facilitate organizational performance. However, management deals with planning, budgeting, controlling, and structuring (Price, 2009:26). In contrast, leadership refers to a process of directing, visioning, and motivating including coordinating and the development of individuals, moreover leadership is also said to be a process of influencing others to achieve the long term goals of the organisation [Bartol et al. 2003:33].

In addition to management and leadership roles, another important distinction worth noticing is the distinction between the internal role and the external role [Price, 2009:27]. Zaleznik [2004:76] stated that the goals of managers come from necessities but the goals of leaders come from a place of active attitudes. The concept behind this theory is that leaders will use their energy to inspire people to be creative about problem solving, but that managers make sure that the organization's day to day business gets done, which may include telling people what to do, if necessary.

Zaleznik [2004:80] argues that the creativity of leaders can sometimes be stifled by the need for order that is driven by managers, and that managers avoid risks, while leaders actively seek them out and take them. In addition Kotter (2001) stated that a leader has soul, the passion and the creativity while a manager has the mind, the rational and the

persistence. A leader is flexible, innovative, inspiring, courageous and independent and at the same time a manager is consulting, analytical, deliberate, authoritative and stabilizing. However, literature varies on the core skills of leadership and management. Some researchers have taken a more extreme view, stating that management and leadership perform activities that are almost opposite in nature.

John Kotter [1990] presented a framework for understanding key differences between leadership behaviour and management tasks. It was strongly argued by Kotter [1990] that management tries to establish security and order, whereas leadership has the goal of promoting change and fluidity within organizations. Kotter [1990:12] proposed that the main function of managers is to drive consistency, which in turn should lead to an efficient-running organization. However, leaders were determined by Kotter [2001:3] to do the converse to this, by seeking continual adaptive change.

Table 1 below gives direct comparisons between leadership and management activities. An individual can be a great leader, a great manager, or both, but each area requires the mastery of slightly different skills and competencies.

Table 1: Leadership versus management

Management Produces - Order & Consistency	Leadership Produces - Change & Movement
<ul style="list-style-type: none"> • Planning and Budgeting • Establishing agendas • Setting timetables • Allocating resources 	<ul style="list-style-type: none"> • Establishing Direction • Creating a vision • Clarifying the big picture • Setting strategies
<ul style="list-style-type: none"> • Organizing and Staffing • Provide structure • Making job placements • Establishing rules and procedures 	<ul style="list-style-type: none"> • Aligning People • Communicating goals • Seeking commitment • Building teams and coalitions
<ul style="list-style-type: none"> • Controlling and Problem Solving • Developing incentives • Generating creative solutions • Taking corrective action 	<ul style="list-style-type: none"> • Motivating and Inspiring • Inspiring and energize • Empowering subordinates • Satisfying unmet needs

Source: Author's Literature review [Jarad, 2012]

With the mastery of each of these skills and behaviours, one can successfully navigate the fields of both management and leadership. It is usually just as simple as knowing what context is the most appropriate to the situation and applying oneself in a leadership or management capacity. However, in order to understand the nature of leadership, it is necessary to first consider the broader notions of leadership and management. Leaders must have followers, and they must influence their followers in the right ways [Daft, 2003:67]. Managers need to embrace process and seek stability and control and therefore, also to instinctively try to resolve problems quickly. Leaders, in contrast, may tolerate chaos and lack of structure and are often willing to delay closure in order to understand the issues more fully. An organisation definitely needs the support of both managers and leaders to successfully achieve the organizational goals [Boonyachai, 2011:17].

5. Methodology

The study is conducted with reference to existing theoretical literature on leadership requirements for the construction industry. The study is mainly a literature review and looks at literature relating to leadership and management. Moreover, the concept of relating the two topics has been under researched. The current methodology falls within the qualitative research methodology.

6. Results and discussions

As outlined in the research it is evident that there is a difference between leadership and management. Jarad [2012] viewed leadership as a subset of management and that both are important to facilitate organizational performance. However, management deals with planning, budgeting, controlling, and structuring [Price, 2009:26]. It is also important to note the difference in characteristics of managers and leaders. This difference supports the work of Kotter [2001], who states that a leader has soul, the passion and the creativity while a manager has the mind, the rational and the persistence. A leader is flexible, innovative, inspiring, courageous and independent and at the same time a manager is consulting, analytical, deliberate, authoritative and stabilizing. In addition, it was strongly argued by Kotter [1990] that management tries to establish security and order, whereas leadership has the goal of promoting change and fluidity within organizations. Kotter [1990:12] proposed that the main function of managers is to drive consistency, which in turn should lead to an efficient-running organization. However, leaders were determined by Kotter [2001:3] to do the contrary to this, by seeking continual adaptive change.

7. Conclusions and Recommendations

This paper has examined literature relating to leadership and management. Leadership is viewed as a subclass of management, and both are important for executive performance. It is also clearly seen that planning and structuring the project team is one of the important elements of management. Leaders bring vision and motivation within the project team. In short, leadership brings direction and management outlines order. It is recommended that both leadership and management characteristics be used relatedly. This study may add value to the field of leadership by contributing literature to management and leadership.

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